GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

FEBRUARY 27, 2003

TM GRAIN TRANSPORT COST INDICATORS	Truck	Rail	Barge	Ocean Gulf	Ocean PNW
Indicator Value* for 02/27	115	109	93	126	137
Compared to Last Week	↑	↑	↑	↑	↑

*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan

Feb. 27-Mar. 1	Commodity Classic Trade Show	Charlotte, NC	Beth Musgrove 314-275-9915 (ph) musgrove@ncga.com
Mar. 3-4	3rd Annual Trans-Pacific Maritime Conference	Long Beach, CA	858-485-9978 (ph) 858-485-1623 (fax)
Mar. 10-12	American Farmland Trust National Conference	Pacific Grove, CA	Doris Mittasch 413-589-9330 (ph) dmittasch@farmland.org
Mar. 25-28	National Grain and Feed Association (NGFA) 107th Annual Convention	Tucson, AZ	202-289-0873 (ph) 202-289-5388 (fax) ngfa@ngfa.org
Mar. 31-Apr. 1	European Outlook Conference 2003: Reform, Trade & Sustainability	London, England	+44(0) 1892 533813 (ph) +44(0) 1892 544895 (fax) www.agra-net.com
May 4-6	North American Rail Shippers Assoc. Annual Mtg.	Washington, DC	202-639-2100 (ph)
May 5-7	American Feed Association Expo 2003	Minneapolis, MN	703-524-0810 (ph) afia@afia.org
May 18-20	2003 World Congress, A New Age In Agriculture: Working Together to Create the Future and Disable the Barriers	St. Louis, MO	314-206-3208 (ph) 314-206-3222 (fax)
July 20-22	U.S. Grains Council, 43rd Annual Board of Directors Meeting; 4th International Grain Marketing Conference & Trade Show	Minneapolis, MN	202-789-0789 (ph) 202-898-0522 (fax) grains@grains.org.

Report is prepared by Deen Olowolayemo, Hooshang Fazel, and Johnny Hill, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov .

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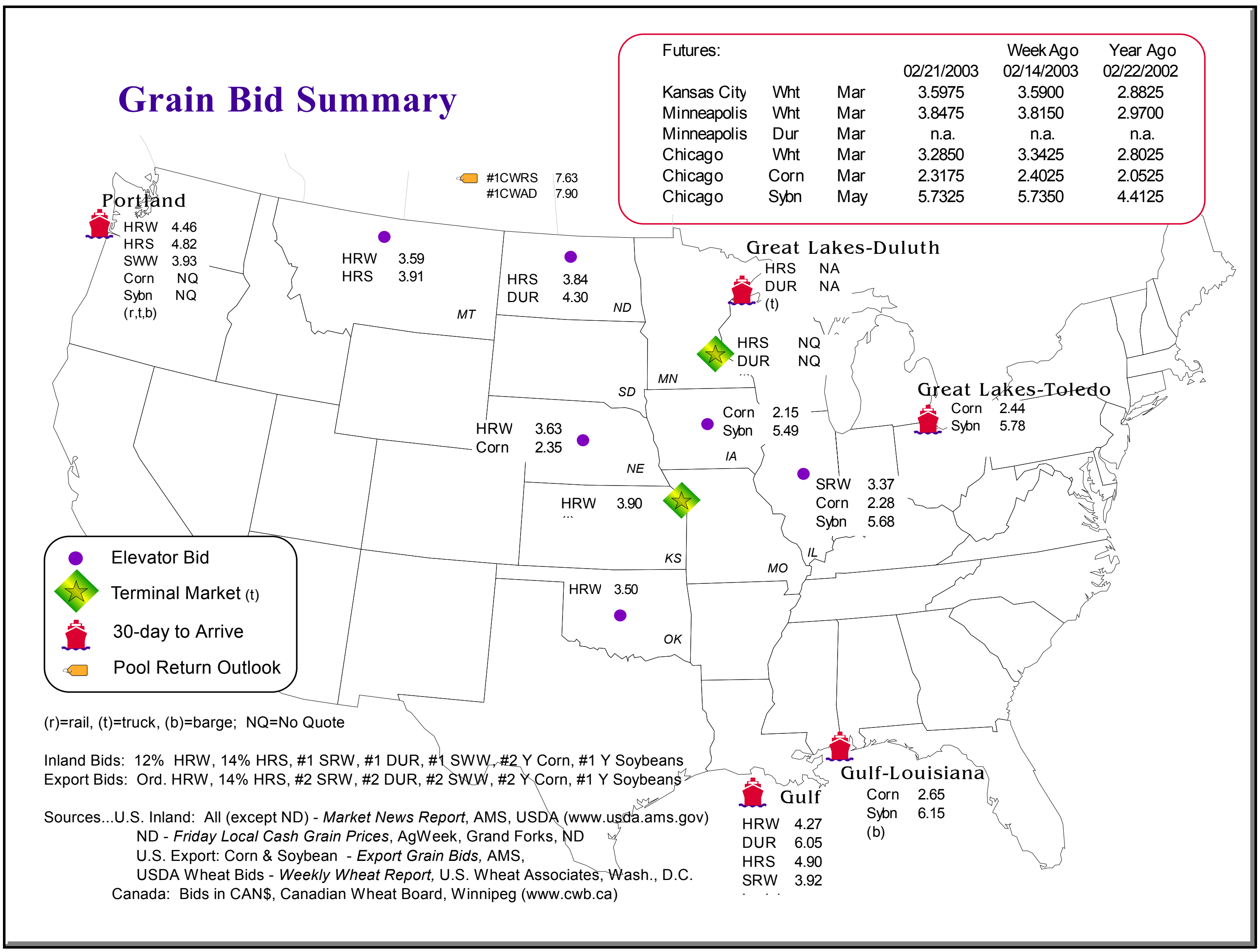
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.37	-0.36
Corn	NE -- Gulf	-0.30	-0.28
Soybean	IA -- Gulf	-0.66	-0.64
HRW	KS -- Gulf	-0.37	-0.37
HRS	ND -- Portland	-0.98	-1.02

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



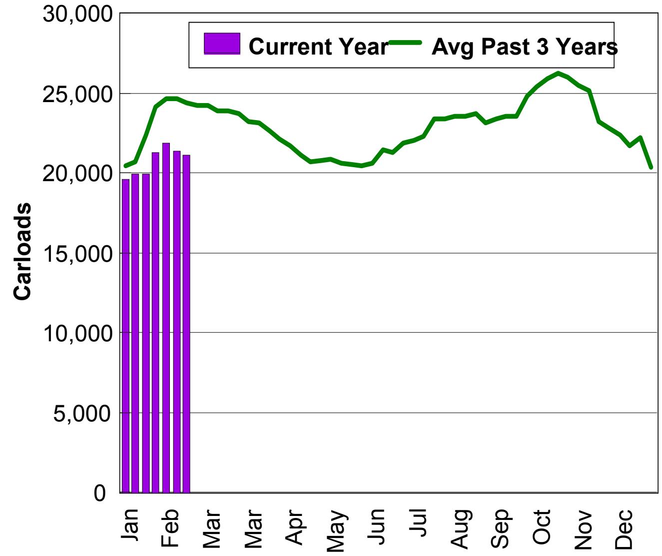
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

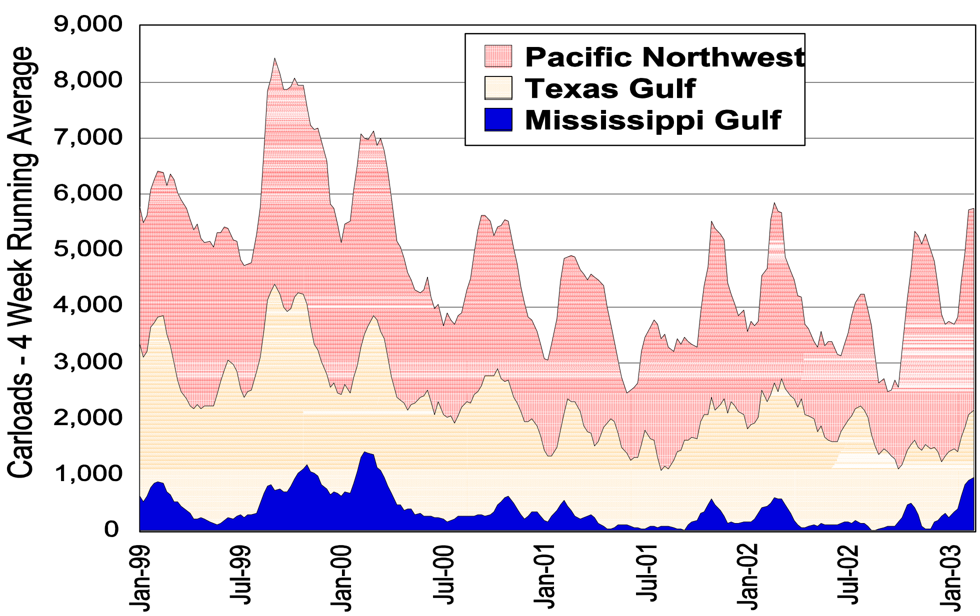
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
2/5/03	995	1,382	4,278	623	7,278
02/12/03	772	695	2,815	675	4,957
YTD 2003	5,229	7,686	21,950	5,013	39,878
YTD 2002	2,829	13,087	17,043	5,988	38,947
% YTD 2002	185%	59%	129%	84%	102%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
02/15/03	2,954	3,154	9,249	341	5,945	21,643	2,578	3,488
This Week Last Year	2,846	3,733	10,146	671	6,999	24,395	3,648	3,856
2003 YTD	18,061	19,870	45,658	2,640	40,592	126,821	20,752	19,520
2002 YTD	19,305	18,578	50,484	4,344	39,838	132,549	24,843	22,850
% of Last Year	94%	107%	90%	61%	102%	96%	84%	85%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765
U.S. Rail Covered Hopper Cars Online Index*								
Jan-03	94.0	99.5	93.0	89.7	94.0	94.5		

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results
Average Premium/Discount to Tariff, $/Car - Last Auction

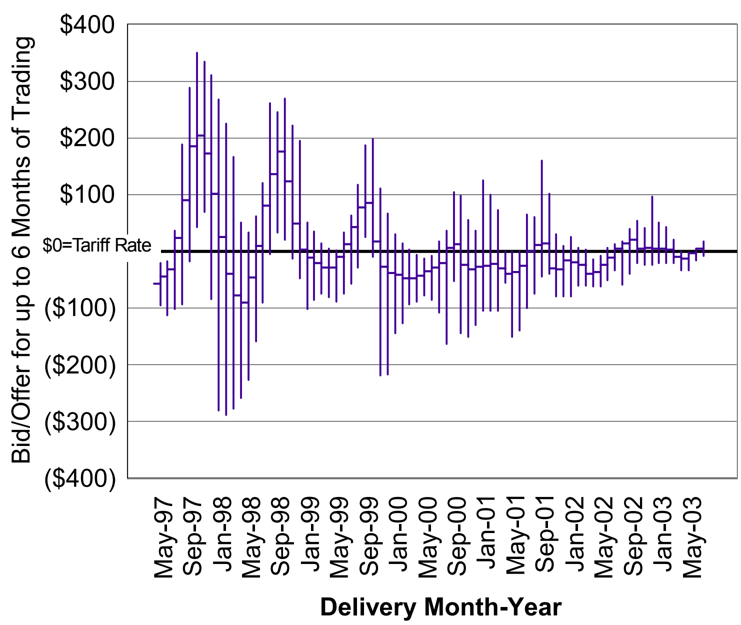
Delivery for:	Apr-03	May-03	Jun-03
COT/N. Grain	$0	$0	$0
COT/S. Grain	$0	$0	$0
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid

Source: Transportation & Marketing/AMS/USDA.
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Secondary Rail Car Market
Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Mar-03	Apr-03	May-03	Jun-03
BNSF-GF	$(12)	$(30)	$(30)	$(14)
UP-Pool	$(15)	$(14)	$(15)	$3

Secondary Rail Market Bid



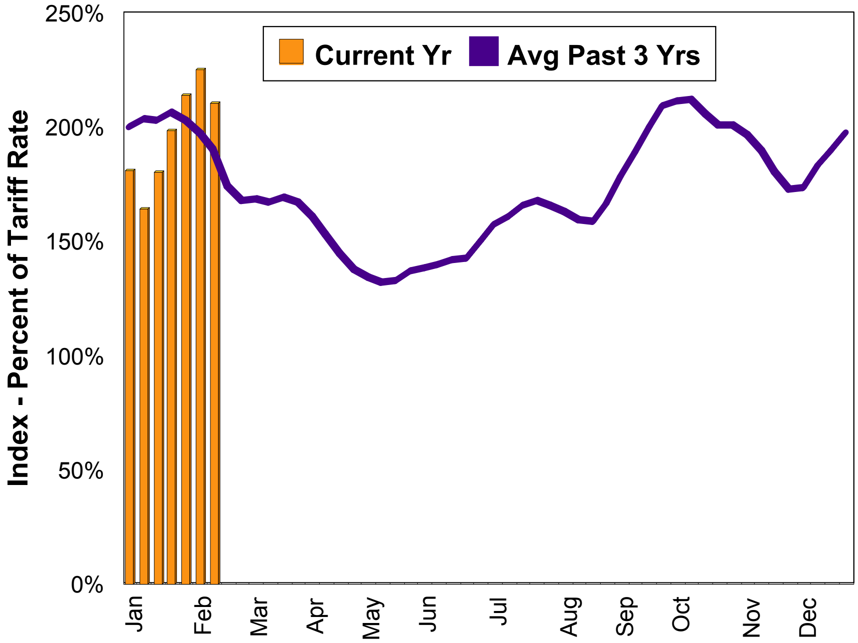
Tariff Rail Rates for Unit Train Shipments
January 2003

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
1/6/03	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
01/06/03	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
01/06/03	46540	Wheat	Kansas City, MO	Houston, TX	$1,650	$18.19	$0.50
01/06/03	43586	Wheat	Kansas City, MO	Portland, OR	$4,420	$48.72	$1.33
01/06/03	43581	Wheat	Omaha, NE	Portland, OR	$4,005	$44.15	$1.20
01/06/03	31005	Corn	Minneapolis, MN	Portland, OR	$3,050	$33.62	$0.85
01/06/03	31035	Corn	Kansas City, MO	Portland, OR	$2,700	$29.76	$0.76
01/06/03	31005	Corn	Omaha, NE	Portland, OR	$2,850	$31.42	$0.80
01/06/03	61110	Soybean	Minneapolis, MN	Portland, OR	$3,030	$33.40	$0.91
01/06/03	61110	Soybean	Omaha, NE	Portland, OR	$2,780	$30.64	$0.83

Source: www.bnsf.com
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

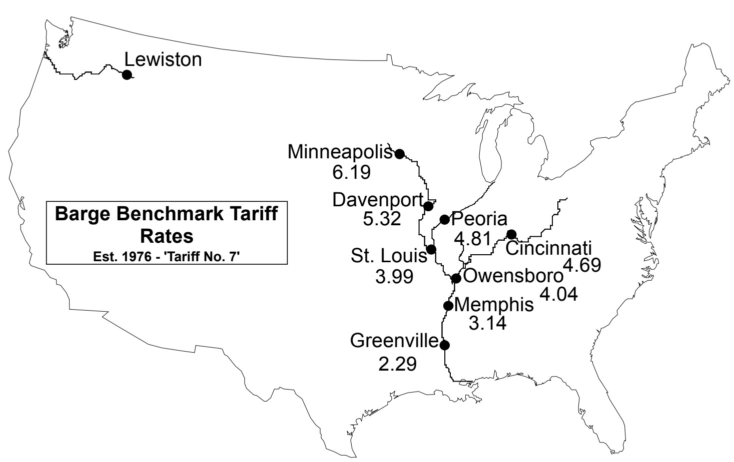
	2/19/03	2/12/03	Mar. '03	May '03
Twin Cities	nq	nq	200	185
Mid-Mississippi	nq	nq	174	157
Illinois River	165	178	160	147
St. Louis	133	139	133	130
Lower Ohio	130	134	132	127
Cairo-Memphis	110	111	113	119

Source: Transportation & Marketing /AMS/USDA
nq=no quote

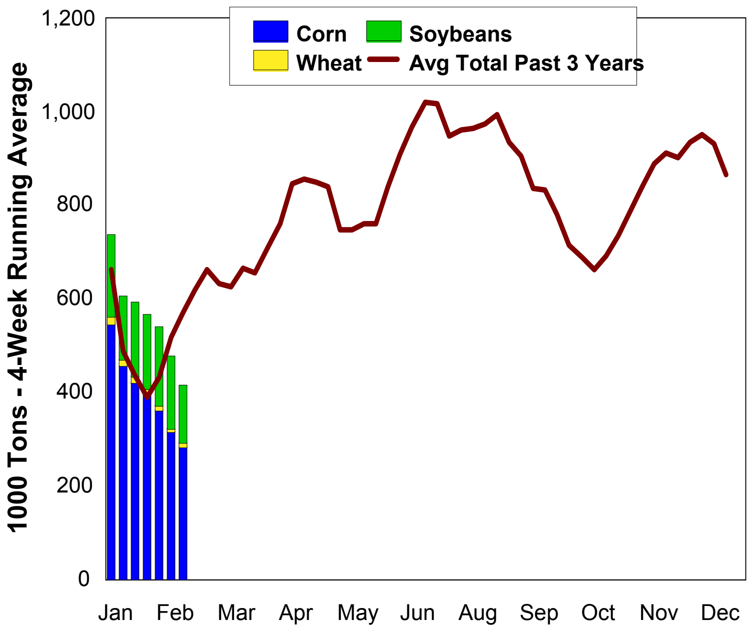
BARGE FUTURES MARKET
Southbound Barge Freight Nominal/Cash Basis Values
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate: Futures	Rate: Cash
2/25/03	St. Louis	Mar	n/a	135
		May	n/a	135
		July	n/a	145
		Sept	n/a	170
		Oct	n/a	195
	Illinois River	Mar	n/a	160
		May	n/a	155
		July	n/a	163
		Sept	n/a	190
		Oct	n/a	220

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements (1,000 Tons)
for week ending 2/15/03

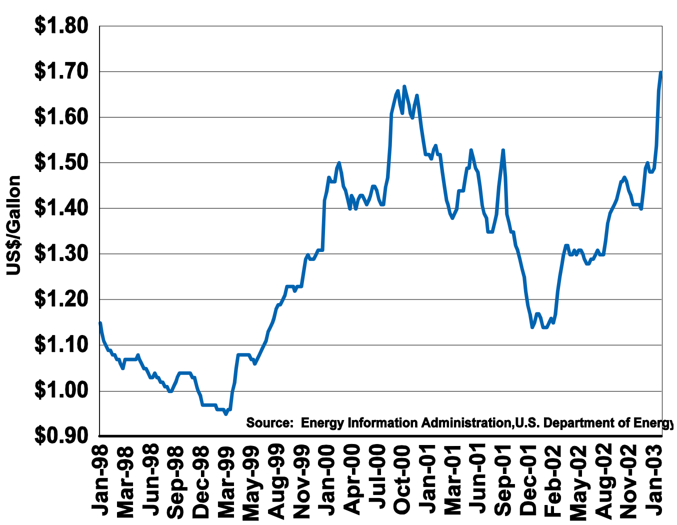
	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	306	11	115	432
Granite City, IL (L27)	304	11	116	431
Illinois River (L8)	231	6	96	333
Ohio River (L52)	58	7	63	169
Arkansas River (L1)	0	28	21	49
2003 YTD	3,004	242	1,840	5,298
2002 YTD	3,863	215	1,811	6,238
% of 2002 YTD	78%	113%	102%	85%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

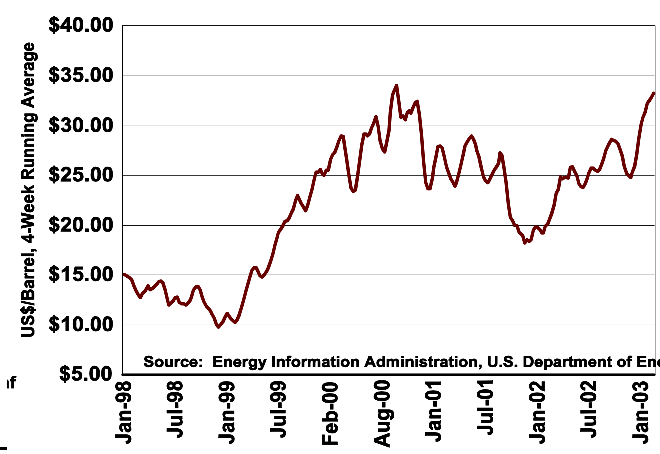
TRUCK TRANSPORTATION

The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly U.S. Retail Road Diesel Price



Weekly Brent Crude Price, Friday Close



Crude Oil Prices (02/25/03)
US$ per Barrel

	This Week	Last Week	
Light Sweet Crude (NYMEX)	33.79	34.83	↓
Brent Crude	33.61	33.23	↑

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)

	Wheat						Corn	Soybean	Total
	HRW	*SRW*	*HRS*	*SWW*	*DUR*	*All*			
Unshipped Export Balances									
02/13/03	1,172	492	1,157	616	145	3,583	5,115	5,145	13,843
This Week Year Ago	1,309	753	890	545	169	3,668	8,530	5,058	17,256
Cumulative Exports-Crop Year									
02/03 YTD	5,294	2,194	4,807	2,545	557	15,398	18,462	18,938	52,798
01/02 YTD	6,042	3,982	3,998	2,357	887	17,265	19,260	17,713	54,238
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

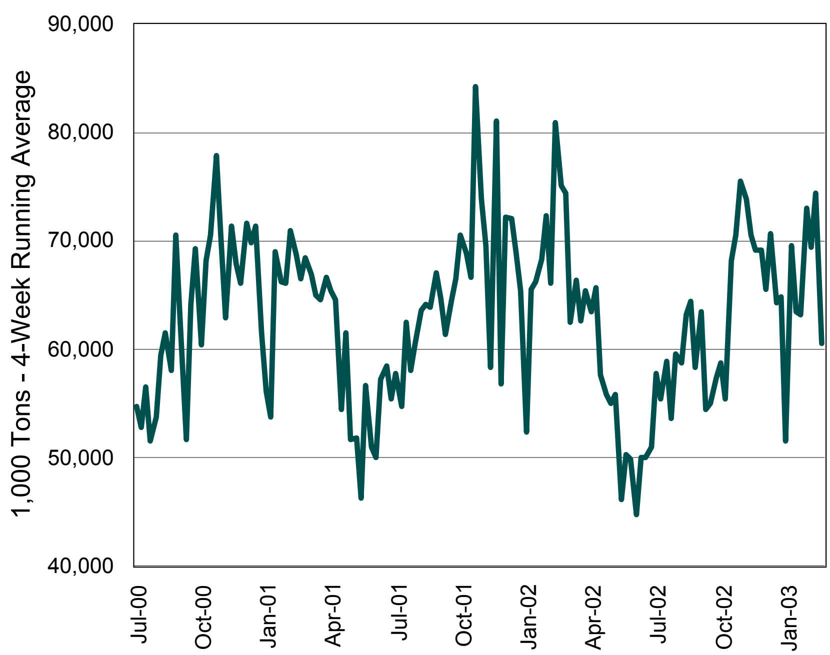
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)
Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Pacific*	*Mississippi*	*Texas*
02/20/03	90	85	260	57	559	575	69	0	0	435	1,190	69
2003 YTD	1,028	869	1,017	863	4,514	5,964	672	8	11	2,914	11,341	690
2002 YTD	1,534	740	715	878	4,913	5,634	916	6	186	2,988	11,426	1,107
% of 2002 YTD	67%	118%	142%	98%	92%	106%	73%	140%	6%	98%	99%	62%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export

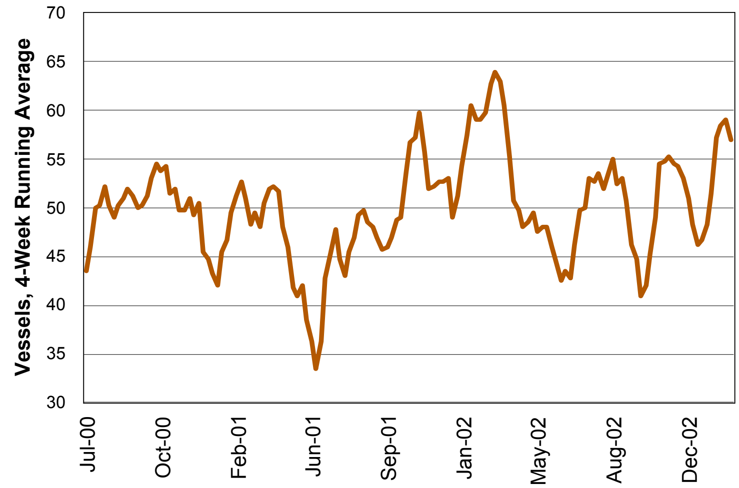


Select Canadian Port Export Inspections
1,000 Metric Tons, Week End Summary

02/20/2003	Wheat	Durum	Barley
Vancouver	1		5
Prince Rupert	28		
Prairie Direct	2	9	1
Thunder Bay			
St. Lawrence	2,823	1,514	222
2001/02 YTD	7,382	1,784	580
2002/03 YTD	2,854	1,523	228
% of Last Year	259%	117%	254%

Source: Canadian Grains Commission, Crop Year 8/1-7/31

Gulf Port Region Grain Vessel Loading
Past 7 Days

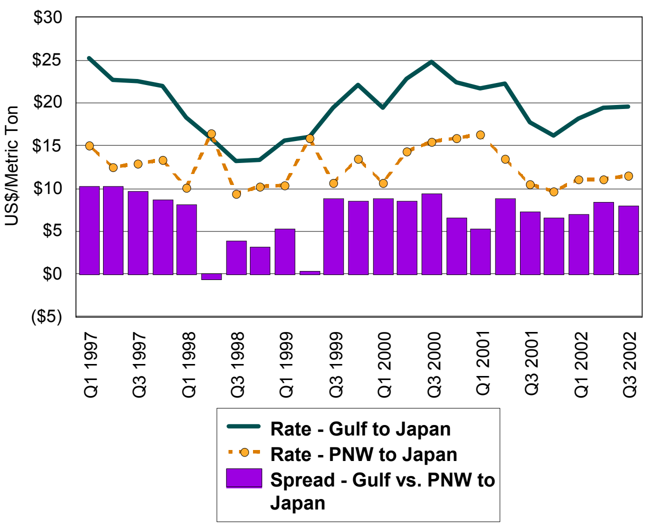


Port Region Ocean Grain Vessels

	Gulf In Port	Gulf Loaded 7-Days	Gulf Due Next 10-Days	Pacific Northwest In Port	Vancouver B.C. In Port
02/13/03	45	55	50	8	1
02/20/03	46	49	53	11	5
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2002 4rd Qtr	2001 4rd Qtr	% Change		2002 4rd Qtr	2001 4rd Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$24.75	$16.25	52%	Japan	$15.39	$9.64	60%
Mexico	$7.50	-	-				
N. Europe	$18.07	$11.73	54%	**Argentina/Brazil to**			
N. Africa	$18.33	$16.98	8%	Med. Sea	$22.00	-	-
Med. Sea		$10.58	-	N. Europe	$22.63	$15.72	44%

Source: Transportation & Marketing/AMS/USDA

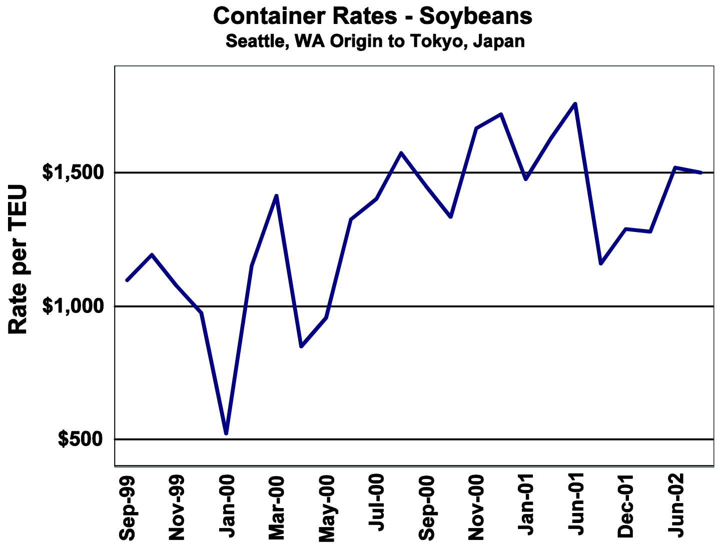
Ocean Freight Rates for Selected Shipments - week ending 2/15/03

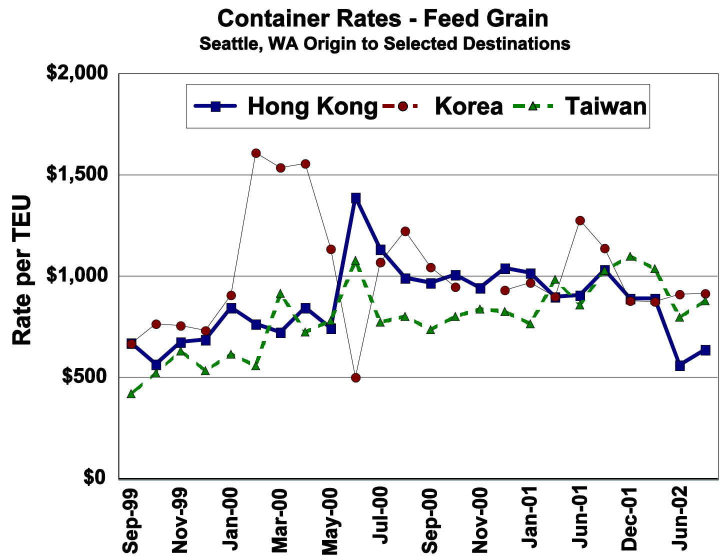
Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
U.S. Gulf	Taiwan	Heavy Grain	Mar. 20/31	54,000	$27.00
U.S. Gulf	Japan	Heavy Grain	Feb. 28/Mar.11	54,000	$27.40
U.S. Gulf	Japan	Heavy Grain	Jan. 15/20	42,000	$25.50
U.S. Gulf	Japan	Heavy Grain	Jan. 23/Feb. 7	54,000	$27.25
PNW	Pakistan	Wheat	Jan. 15/25	30,000	$41.98
U.S. Gulf	China	Heavy Grain	Feb. 11/28	55,000	$25.00
Rouen, France	Tunisia	Wheat	Feb 20/25	25,000	$14.75

Source: Maritime Research Inc.
Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

CONTAINER

Container Ocean Freight Rates
Average Rate per TEU, Weighed by Shipping Line Market Share
Source: Transportation & Marketing/AMS/USDA, Quarterly Updates





Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.